

# HIPAA overview/DOH

## HIPAA is here

### Federal act may affect us both in our work and as individual health consumers

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DOH**

No, it's not a hippopotamus—it's the Health Insurance Portability and Accountability Act. Although Congress passed HIPAA in 1996, the rules to implement it are now in the process of being adopted. This article, the first of a series, will briefly discuss some of the broad aspects of HIPAA. Future articles will focus on the specific regulations and on Department of Health impacts and activities.

The Health Insurance Portability and Accountability Act has generated sweeping reforms in a variety of health care areas. Not only will participants in the health care system, including public health agencies, feel the impact, but you, as individuals, are affected.

The reforms include guaranteeing the renewability and portability of health insurance coverage; preventing health care fraud and abuse; administrative simplification; enacting tax benefits for individuals that self-finance health care coverage; and the creation and amendment of group health plan requirements.

#### **How does HIPAA impact you?**

It provides individuals improved portability and continuity of health insurance coverage. Under HIPAA, individuals can use evidence of their current health coverage to reduce or eliminate any preexisting medical exclusion period that might apply under a new employer's health plan. (This is what is meant by portability.) Other provisions provide tax benefits for individuals who are self-insured or have medical savings accounts.

The Department of Health and other public and private organizations are affected by the mandates that are under the sections titled "administrative simplification" and "preventing health care fraud abuse."

The administrative simplification section of HIPAA has broad impact on health information, data and the systems that maintain this information. It requires that a variety of information, identifiers, formats, elements, and procedures involved in processing electronic health care claims be standardized to facilitate claims transactions, reduce the burden on payers, purchasers and consumers, and reduce health care administrative costs. Health providers, payers, purchasers and plans are required to comply while others are encouraged to do so. For the most part, Department of Health programs are required to comply with these changes. A variety of rules are in various stages of development by the federal Department of Health and Human Services to implement this section.

HIPAA has also led to creation of the Healthcare Integrity and Protection Data Bank (HIPDB) which impacts our department, other government agencies, and health plans. HIPDB, scheduled to begin October 1, 1999, is a national health care fraud and abuse data collection program requiring the reporting and disclosure of certain final adverse actions taken against health care providers, suppliers, or practitioners.

An internal Department of Health HIPAA group, including representatives from across the agency, has recently been convened to evaluate the agency impact and develop a plan to ensure compliance within the various mandated time frames. Look for future articles that will provide details on the specific regulations and describe impacts and activities.

In the meantime, if you have questions regarding HIPAA and its impacts, contact me at (360) 236-4627.